

MONTANA LEGISLATIVE HISTORY

Chapter 237 19 81

Bill H _____ S 445

Original bill & history X C

H. Committee on Business and Industry

Hearing Date(s) Mar 12 ✓ C

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_____ C

Date Out Mar 12 ✓ C

S. Committee on Business and Industry

Hearing Date(s) Feb 20 ✓ C

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_____ C

Feb 20 ✓ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

SENATE BILL NO. 445

INTRODUCED BY HAZELBAKER

BY REQUEST OF THE SENATE BUSINESS AND
INDUSTRY COMMITTEE

IN THE SENATE

February 12, 1981	Introduced and referred to Committee on Business and Industry.
February 20, 1981	Committee recommend bill do pass. Report adopted.
February 21, 1981	Bill printed and placed on members' desks.
February 23, 1981	Second reading, do pass.
February 24, 1981	Correctly engrossed.
February 25, 1981	Third reading, passed. Ayes, 49; Noes, 1. Transmitted to House.

IN THE HOUSE

March 3, 1981	Introduced and referred to Committee on Business and Industry.
March 13, 1981	Committee recommend bill be concurrent in. Report adopted.
March 21, 1981	Second reading, concurrent in.
March 24, 1981	Third reading, concurrent in. Ayes, 98; Noes, 0.

IN THE SENATE

March 25, 1981	Returned from House. Con- current in. Sent to enrolling. Reported correctly enrolled.
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1 Senate BILL NO. 445
2 INTRODUCED BY W. J. Baker
3 BY REQUEST OF THE SENATE BUSINESS AND
4 INDUSTRY COMMITTEE

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE
7 AUTHORITY OF A RURAL ELECTRIC OR TELEPHONE COOPERATIVE TO
8 PROVIDE IN ITS BYLAWS FOR THE ESTABLISHMENT OF AN AMOUNT OF
9 COMPENSATION TO BE PAID TO ITS DIRECTORS WHILE ENGAGED IN
10 OFFICIAL BUSINESS OF THE COOPERATIVE; AMENDING SECTION
11 35-18-311, MCA."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 35-18-311, MCA, is amended to read:

15 *35-18-311. Board of trustees -- number --
16 qualifications -- removal -- compensation -- husband and
17 wife. (1) The business and affairs of a cooperative shall be
18 managed by a board of not less than five trustees, each of
19 whom shall be a member of the cooperative or of another
20 cooperative which shall be a member thereof. The bylaws
21 shall prescribe the number of trustees, their
22 qualifications, other than those provided for in this
23 chapter, the manner of holding meetings of the board of
24 trustees and of the election of successors to trustees who
25 shall resign, die, or otherwise be incapable of acting. The

1 bylaws may also provide for the removal of trustees from
2 office and for the election of their successors.

3 (2) Without approval of the membership, trustees shall
4 not receive any salaries for their services as trustees and
5 except in emergencies, shall not be employed by the
6 cooperative in any capacity involving compensation. The
7 bylaws may, however, provide that ~~a fixed fee and expenses~~
8 ~~of attendance, if any, may be allowed for attendance at each~~
9 ~~meeting of the board of trustees~~ may establish a fixed sum

10 including expenses of attendance, if any, to be allowed for:
11 (a) attendance at each meeting of the board of
12 trustees or any committee thereof; or

13 ~~(b) representing the cooperative at any meeting or on~~
14 ~~any business whenever such representation has been approved~~
15 ~~by the board.~~

16 (3) If a husband and wife hold joint membership in a
17 cooperative, either one but not both may be elected a
18 trustee."

- End -

INTRODUCED BILL
-2- SB 445

ADMINISTRATION: 2/11

HEARING: 2/16

REPORT: 2/20, ADVERSE REPORT ADOPTED -- YEAS: 39; NAYS: 1

-- KILLED

SB 442 -- S. BROWN, HIMSL -- PROVIDING FOR REGULATION OF BOXING AND WRESTLING MATCHES.

INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 2/17

HEARING: 2/17

REPORT: 2/20, DO PASS AS AMENDED

2ND READING: 2/23, DO PASS

3RD READING: 2/25, YEAS: 50

TRANSMITTED TO HOUSE: 2/25

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 3/3

ON MOTION, 3/10, REREFERRED TO COMMITTEE ON STATE

ADMINISTRATION.

HEARING: 3/16

REPORT: 3/23, BE CONCURRED IN, AS AMENDED

2ND READING: 3/28, YEAS: 53; NAYS: 28

3RD READING: 3/31, YEAS: 67; NAYS: 32

RETURNED TO SENATE WITH AMENDMENTS: 3/31

2ND READING: 4/10, BE CONCURRED IN

ON MOTION, 4/11, RULES SUSPENDED, PLACED ON 3RD READING

3RD READING: 4/11, YEAS: 47; NAYS: 1

TRANSMITTED TO GOVERNOR: 4/16/81

ACTION: 4/21, SIGNED

CHAPTER 471

SB 443 -- TOWE, NORMAN, FABREGA, ET AL -- ESTABLISH PREFERENCE FOR INVESTMENT OF CERTAIN FUNDS IN INVESTMENTS BENEFITING MONTANA.

INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE AND CLAIMS: 2/17

HEARING: 2/17

REPORT: 2/20, ADVERSE REPORT ADOPTED -- YEAS: 38; NAYS: 1

-- KILLED

SB 444 -- HAZELBAKER -- REPEALING SECTIONS CONCERNING THE REGULATION OF REGISTRATION, AND INSPECTION OF PASSENGER TRAMWAYS.

FISCAL NOTE: REQUIRED

INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND

INDUSTRY: 2/12

HEARING: 2/20

FAILED TO MEET TRANSMITTAL DEADLINE: 2/25 -- DIED

SB 445 -- HAZELBAKER -- CLARIFYING AUTHORITY OF A RURAL ELECTRIC TELEPHONE COOPERATIVE TO ESTABLISH COMPENSATION FOR ITS DIRECTORS.

INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS

INDUSTRY: 2/12

HEARING: 2/20

REPORT: 2/20, DO PASS

2ND READING: 2/23, DO PASS

3RD READING: 2/25, YEAS: 49; NAYS: 1

TRANSMITTED TO HOUSE: 2/25

REFERRED TO COMMITTEE ON BUSINESS AND INDUSTRY: 3/3

HEARING: 3/12

REPORT: BE CONCURRED IN, 3/12

2ND READING: 3/21, YEAS: 76; NAYS: 1

1ST READING: 3/24 YEAS: 98; NAYS: 0

RETURNED TO SENATE: 3/24

TRANSMITTED TO GOVERNOR: 3/28/81

ACTION: 4/1, SIGNED

CHAPTER 237

236 — B. BROWN — CLARIFYING THE PERSONAL PROPERTY AND MOBILE HOME
TAX COLLECTION LAWS.

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION: 2/12

FAILED TO MEET TRANSMITTAL DEADLINE: 4/6 -- DIED

237 — AKLESTAD — ALLOWING LAND OWNERS ON PROPOSED SPECIAL
IMPROVEMENT DISTRICTS TO PETITION FOR AN ELECTION...

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION: 2/12

HEARING: 2/25

REPORT: 3/7, ADVERSE REPORT ADOPTED -- YEAS: 36; NAYS: 7

-- KILLED

238 — M. ANDERSON — PERMITTING DEPARTMENT OF INSTITUTIONS TO
CONTRACT FOR CONFINEMENT OF SELECTED INMATES.

FISCAL NOTE: REQUIRED

INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE AND CLAIMS: 2/12

HEARING: 2/17

REPORT: 2/17, DO PASS

2ND READING: 2/19, DO PASS

3RD READING: 2/21, YEAS: 49; NAYS: 0

TRANSMITTED TO HOUSE: 2/21

REFERRED TO COMMITTEE ON FISH & GAME: 2/23

ON MOTION, 3/24, REREFERRED TO COMMITTEE ON JUDICIARY.

HEARING: 3/18

REPORT: 3/18, BE CONCURRED IN

2ND READING: 3/27, YEAS: 71; NAYS: 13

3RD READING: 3/31, YEAS: 88; NAYS: 11

RETURNED TO SENATE: 3/31

TRANSMITTED TO GOVERNOR: 4/6/81

ACTION: 4/8, SIGNED

CHAPTER 304

239 — TURNAGE, HIMSIL, BARDANOUVE — GENERALLY REVISING DEFERRED
COMPENSATION PLANS FOR PUBLIC EMPLOYEES TO ESTABLISH A STATE
INVESTMENT ACCOUNT...

INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE AND CLAIMS: 2/12

HEARING: 2/18

REPORT: 2/19, DO PASS -- STATEMENT OF INTENT ATTACHED

2ND READING: 2/21, DO PASS

3RD READING: 2/25, YEAS: 50

TRANSMITTED TO HOUSE: 2/25

REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 3/3

HEARING: 3/17

EXECUTIVE SESSION: 3/23

REPORT: 3/26, BE CONCURRED IN, AS AMENDED

2ND READING: 3/31, YEAS: 86; NAYS: 0

3RD READING: 3/31, YEAS: 88; NAYS: 7

HOUSE BUSINESS AND INDUSTRY COMMITTEE

March 12, 1981

SUMMARY OF BILLS TO BE HEARD TODAY

SENATE BILL 445 -

Introduced by Senator Hazelbaker by request of the Senate Business and Industry Committee, allows the board of trustees of a rural electric or telephone cooperative to set compensation of its members for attending meetings as representatives of the cooperative or at other meetings.

SENATE BILL 461 -

Introduced by Senator Goodover and others by request of the Senate Taxation Committee, removes various restrictions on floater liquor licenses. The bill provides that an all-beverage license may be floated into an area that is not more than 133% over quota; the limit in the present law is 125%. This bill endows the floater license with property rights five years after the transfer. Under present law a floater license may never be mortgaged and may be transferred only by inheritance. This bill provides that a floater license may not be transferred to a new quota area or back to the original quota area. The bill also clarifies the present prohibition against mortgaging, selling or moving a resort license.

SENATE BILL 247 -

Introduced by Senators Regan and Himsl, enlarges the power given a state bank to do anything that Congress allows a national bank to do. Specifically, the bill allows state banks to branch if Congress ever amends the McFadden Act to allow national banks to establish branches in states that prohibit branching.

HOUSE JOINT RESOLUTION 48 -

Introduced by Representative O'Hara and others, requests an interim study to determine how to improve the economic environment of Montana.

HOUSE BUSINESS AND INDUSTRY COMMITTEE

The committee was called to order at 8:00 a.m., March 12, 1981, in room 129, Capitol Building, Helena, by Rep. Jay Fabrega, Chairman. Rep. Dick Manning was excused; all other members were present. SB 445, 461, 247 and HJR 48 were to be heard.

SENATE BILL 445 -

SENATOR FRANK HAZELBAKER, District #41, Beaverhead County, sponsored SB 445 at the request of the Senate Business and Industry Committee. It would allow rural electric and telephone cooperatives to approve expenses for trustees when they represented the cooperative with the board's approval. It also authorizes them to have meetings any place within the cooperative's district. He thought this should be in the law.

OPPONENTS: None

QUESTIONS -

Rep. Robbins remarked wives' expenses are not supposed to be paid for on these trips unless they are a trustee themselves.

SENATE BILL 461 -

SENATOR BILL NORMAN, District #47, Missoula, co-sponsor of SB 461, explained this bill relates to the all-beverage liquor license quota system. In 1947 the Legislature first enacted the quota system based on population. In 1980 the federal census was taken showing the shift in population and it is on that basis that the Department of Revenue will make calculations as to the number of licenses allowed where. Over the years population changes and in some areas there are too many licenses and in others not enough. In 1975 a floater bill to correct this discrepancy was enacted to allow licenses from a too-many area to be floated into areas where there are not enough.

SB 461 would allow areas with 133% under quota to transfer licenses in from areas that have 133% over quota. At present the figure is 125% over and under supplied. These licenses could be transferred by inheritance, but they cannot be mortgaged or used as security for five years, and if transferred into a new area, they cannot be transferred again and certainly not back to the original area.

There was an interim study on abolishing the license quota system, which has defects. The Legislature got us into this and we have to go along with it. It is not fair to take these licenses away after people have invested a great deal of money in them. The state has a very tight rein on the sale of this product, and they don't want in any way to jeopardize this. It costs the state, and it grants a monopoly to some people.

See the Visitor's Register for other proponents.

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JOHN SCULLY, representing the Independent Bankers, supports the bill. The federal McFadden Act which allows the state to operate a dual charter system, prohibits branching in a state where the state prohibits it. If the McFadden Act is altered to allow branching, the state banks would have the same privilege.

OPPONENTS: None

QUESTIONS -

Rep. Jacobsen asked if that is in complete agreement with the state banks, and Mr. Scully said the Independent Bankers Group would oppose altering the McFadden Act. There are some real problems - other countries have bought up 15% of the banks in the nation and are basically operating credit card banking. Whether the answer is to do away with the dual banking system is the question. He thinks there should be a handle on credit card banking. The Montana Bankers Association was not represented.

Rep. Kitselman mentioned state banks are individually chartered, and there are national banks who are members of the Independent Bankers Association also. There is no prohibition one way or the other. Holding companies are formed mostly for tax reasons.

EXECUTIVE SESSION -

REP. ROBBINS moved SENATE BILL 445 BE CONCURRED IN and the motion carried unanimously. Rep. Meyer was excused.

REP. KITSELMAN moved SENATE BILL 461 BE CONCURRED IN. Discussion brought out that floater licenses bought for \$16,000 will be worth \$100-125,000 if this bill passes. How to get rid of this quota system has never been addressed, Rep. Schultz said. Rep. Ellerd didn't understand why the resort is in there, and Rep. Fabrega answer it is a retail license that goes with a resort. Rep. Harper said the only way to get out of the quota system fairly is to compensate people for the property value of their license. If we are going to add value to a license by passing this bill, it will cost us many millions of dollars to get out of the quota system.

Rep. Fabrega explained this system was initiated to limit the availability of alcohol and a monster was created. Under the census Bozeman will be getting four more licenses at \$20,000 each from the state. Two more can still be floated in. With 133% figure about another five licenses can be floated into Bozeman. Lowering the population figure would decrease the value of licenses in time. Rep. Ellerd thinks this is unfair because it allows an unlicensed monopoly. This bill allows you to find a license and move it and doesn't allow for an increased number of licenses. It is a small relaxing of the very, very tight control over licensing. Rep. Vincent remarked you buy one of these licenses for \$20,000 and in five years, it could be worth a great deal more.

A rollcall vote 11-6 with 2 absent CONCURRED IN SB 461 being passed.

REP. ELLERD moved SENATE BILL 247 BE CONCURRED IN and it was by a

7--February 20, 1981

Mr. Hauck replied, if it were left up to individual operators, they would do it. The State actually has a co-ordinating service. These regulations are a national standard.

Senator Blaylock said to Mr. Hauck: I don't know how many people would be riding a ski lift at any one time. If we have 300 people, suppose that the ski line snaps, and you drop 300 people, and you hurt them. How much lawsuit would the State be up against?

Mr. Hauck replied, the record around the country for this type of catastrophe has never happened. This is nothing like a problem on the roads or a hotel fire, etc. We have a good industry here; it is the type of clean industry that hires people in the Winter; it is our intention to protect people; to keep that industry growing. There is some liability.

Senator Lee to Mike Young: Does the State buy insurance policies to pay for this liability?

Senator Lee to Phil Ralson, President of the Northern Ski Area Operators, people that buy a ticket don't know the difference.

Senator Keating said that he and his family have skied since 1968. He said that he thinks that it is a wonderful industry. He advised that there is no guarantee that an inspection will prevent an accident. The risk is still there. They bring people into the state, and he is in favor of this. The Committee will have to handle the problem of liability.

Senator Blaylock to Mike Young: The State insurance is comparable to private rates. Why don't we go there? We used to. The rates increase. We have been subject to liability since the removal of sovereign immunity. The State is a self-insurer. The 1977 Legislature did put a limitation on the State's liability. The liability might be a big issue here. You could give the State sovereign immunity.

Senate Bill 445 was presented. The purpose of it was to clarify authority of a rural electric or telephone cooperative to establish compensation for its directors. No opponents were present, and the Committee recommended a Committee Bill on this. The Committee took executive action on Senate Bill 445. Senator Kolstad moved that Senate Bill 445 "Do Pass". The vote was unanimous - Senate Bill 445 was given a "Do Pass".

Senate Bill 420 - sponsored by Senator Mike Anderson. This Bill would amend 31-1-202 to clarify the applicability of the Retail Installment Sales Act; this Act does not apply to individuals who do not operate a retail business and sell on time for a finance charge.

PROPOSERS:

John Cadby, Montana Bankers Association - he stated that he is in favor of the Bill.

ROLL CALL

BUSINESS and INDUSTRY

COMMITTEE

47th LEGISLATIVE SESSION -- 1981

Date 2-20-8

[illegible]

Each day attach to minutes.

Bill Summaries

SB 386 would allow boards allocated to the department of professional and occupational licensing to establish continuing education programs and requirements.

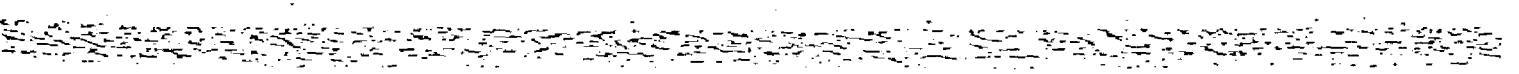
SB 387 would reestablish the board of veterans' affairs for 6 years with its existing statutory authority and rules.

SB 444 removes the state from the regulation, registration, and inspection of passenger tramways.

SB 445 allows a rural electric or telephone cooperative to provide in its bylaws for establishment of compensation to be paid to trustees when representing the cooperative on business approved by the trustees.

SB 420 clarifies that the Retail Installment Sales Act does not apply to persons not engaged in a commercial retail enterprise and who do not regularly extend credit payable in installments or impose a finance charge.

SB 421 increases the amount of trustees' and attorneys' fees allowable on default and reinstatement of an obligation and trust indenture prior to a trustee's sale.



SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-20-81

Bill No. 445

Time 11:30 a.m.

NAME	YES	NO
Hazelbaker	x	
Goodover	x	
Dover	x	
Kolstad	x	
Lee	x	
Blaylock	x	
Boylan	x	
Regan	x	

M. Miller

Secretary

Frank W. Hazelbaker

Chairman

Motion: Motion voted "Do Pass" - unanimous.

(include enough information on motion—put with yellow copy of committee report.)

VISITORS' REGISTER

[illegible]

STANDING COMMITTEE REPORT

February 20

19 81

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE Bill No. 445

Respectfully report as follows: That SENATE Bill No. 445

DO PASS

H.C.